



CHESAPEAKE BAY COMMISSION
CHESAPEAKE CONSERVANCY



Cooperative approaches and ecosystem markets Needed to conserve Chesapeake's watershed lands

The Chesapeake Bay Commission and the Chesapeake Conservancy have recommended actions to promote and accelerate progress on land conservation in the Chesapeake watershed and enable the region's governments to meet the new goal to conserve two million acres of land and create 300 public access points watershed-wide by 2025 and Virginia's goal of 400,000 acres by 2014.

The recommendations are in a new report, [*Conserving Chesapeake Landscapes: Protecting Our Investments; Securing Future Progress*](#), issued today by the groups.

The report noted that in order to achieve the goals, federal, state and local governments, and the private sector would need to maintain the pace of conservation set in the past decade, during which the three states protected 1.24 million acres.

It recognized that given the tight budgets governments face, collaboration between governments and private agencies and new approaches are needed. One significant recommendation is that the federal government substantially increases its investment in land conservation in the Chesapeake. With the two million acre goal resulting from the President Obama's Executive Order, this investment seems both appropriate and timely.

Land conservation is vital to the Bay's and the region's health, said Maryland Senator Thomas McLain "Mac" Middleton, Chairman of the tri-state Chesapeake Bay Commission.

"The Chesapeake's lands hold the key to the region's environmental health and economic well-being. What happens on the land profoundly influences water quality," Middleton said.

Based on an analysis of Chesapeake Bay Program data, the report said there is a large untapped potential for conserved lands to contribute to the achievement of the Chesapeake Bay pollution limits established under the Bay Total Maximum Daily Load.

For example, if the new Bay region goal of two million acres is conserved, and if the conservation of these acres is targeted to those lands known to have the greatest influence on main stem water quality, and in addition if best management practices (BMPs) are applied to all these lands, the benefits could exceed several million pounds of nitrogen per year. Moreover, the Bay region has already conserved 7.3 million acres. Many of these lands, with the addition of BMPs, could provide substantial opportunities for water quality improvements.

Three critical approaches guided the Commission's and Conservancy's recommendations. They are that the states maintain their conservation program and that the federal government invests more; that local

governments sustain and develop their land conservation programs based on best practices from across the watershed; and that policies be developed that unleash the potential of ecosystem markets.

The report recommended that conservation efforts follow six main principles:

1. Focus on forests and farms, the region's "Working Lands",
2. Maximize water quality
3. Strengthen state, local & non-profit programs
4. Expand federal land conservation investments
5. Support the emerging role of the private sector
6. Enhance public access

The new goal of two million acres and 300 public access points by 2025, was set by the Federal government this year after consultation with the states in response to the President's Executive Order #13508 to promote Chesapeake Bay protection and restoration. Governor McDonnell announced his goal of 400,000 new acres immediately upon taking office.

"Land conservation is a valuable asset for meeting our restoration goals, said Virginia Natural Resources Secretary Doug Domenech. "Virginia's Watershed Implementation Plan includes voluntary land conservation as an integral tool in reducing nutrient loads to the Chesapeake Bay."

The states' achieved the previous goal of conserving 20 percent of the watershed's lands by 2010, making the effort one of the few bright spots in the Chesapeake Bay restoration. By last year, 22 percent of the Bay watershed portions of Pennsylvania, Maryland and Virginia had been permanently protected through either outright purchase or, more often, through conservation easements.

Will Shafroth, the Principal Deputy Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, praised the report, particularly its recommendation for a collaborative approach.

"This past summer, people all around the country expressed strong support for collaborative and strategic conservation in the America's Great Outdoors listening sessions. The commission's report recognizes the critical importance of land conservation to the restoration of the Chesapeake, and it provides a realistic roadmap on how states, NGOs and federal agencies can team up to do the job," he said

He added that "The report's recognition that working lands – farm, fields and forests– should be a major focus for conservation during the next decade provides important insight on opportunities for partnerships and lasting legacies."

The report noted that the majority of farm and forest owners in the watershed are approaching retirement and will within the decade transfer thousands of acres. This pending change in ownership offers both opportunity and threat.

In its recommendation to focus on working lands the report said states and localities should continue and expand programs and advance new policy initiatives to conserve a "critical mass" of well-managed working farms and forests to ensure their economic viability into the future.

To achieve this goal it recommended a set of actions including penalties if farmland is transferred for development, dedicated funds to conserve working lands, economic plans and zoning that incorporate working lands.

Conserved lands will provide increased water quality benefits if farmers and forest owners who seek easements use best management practices that prevent pollution. In addition, conservation can be targeted to lands that produce the most benefits, for example forests or other natural buffer areas. In addition, public investments in easements and best management practices should be linked to ensure long-term gains, the report said.

It suggested that Chesapeake Bay Program scientists should work with the conservation community and landowners to develop a template for "eco-easements" that would improve watershed health through forest management for nutrient reduction; stormwater management that incorporates new and emerging technologies; and, wetland migration corridors that deal with increasing sea level elevations.

To strengthen state and local, and non-profit programs, governments could offer dedicated revenue sources, tax incentives, and market-driven approaches, the report said. The states should have dedicated conservation funds, tax credits, and bond sales to finance conservation, the report said. In addition they could work with landowners to convert short-term federal conservation easements like those acquired under the Conservation Reserve Enhancement Program to permanent easements.

In addition, to facilitate stewardship states and local land trusts need to develop GIS technology and satellite imagery to allow them to best monitor the easements they hold.

Until now, the states have paid for most of the conservation in the watershed. The report recommended that federal investments increase. That can happen if the Land and Water Conservation Fund is fully funded and states receive an equitable share. In addition, the Secretary of Interior may, and should, make a dedicated allocation from the Secretary's Discretionary Account to the Chesapeake Bay.

In addition, the report said the federal government should renew the tax deduction provisions for conservation easements and allow historic preservation tax credits for recreational access and conservation at sites throughout the Bay watershed, including those associated with such federally-recognized entities as the Captain John Smith Chesapeake National Historic Trail and the Star Spangled Banner National Historic Trail.

The federal government could better coordinate and target their conservation dollars to achieve regional Chesapeake goals, streamline USDA Farm and Ranch Lands Protection Program, and launch a Treasured Landscape Competitive Grants Program.

Ecosystem markets present the opportunity to conserve land – particularly forest and farmland – and to reduce pollution, the report said.

In simple terms, ecosystem markets make it possible to buy and sell pollution credits. Credits are established to equal a measurable and verifiable unit of pollution. Conservation practices, for example planting buffers, can reduce pollution below some set baseline, thereby generating credits that can be sold. Entities that are required to reduce pollution, often those with limits based on permits, can buy those credits to help achieve their goals.

In general, the ability of an entity (such as the owner of a forest, farm or wetland) to create value from ecosystem services and to sell those services on the open market requires three factors. First, there needs

to be a regulatory system in place that has enforceable limits in permits. While there are voluntary programs in place, for a market-based system to succeed broadly a regulatory framework that sets clear rules for investors to follow is needed. Second, the regulating agency needs to allow the issuance and use of offset credits as part of the fair and transparent regulatory regime. Third, in cases when a permit holder degrades the system locally, credits should be purchased relatively close to where the impacts are generated.

Markets created in the Chesapeake region, including nutrient pollution markets, can support land conservation efforts in a number of ways. The sale of credits on working landscapes provides an additional income stream for farmers and landowners helping to ensure the economic viability of those lands and therefore their availability for protection. Also, depending on the strength of the market, investors may seek to purchase, restore and, in some cases, conserve large tracts of land in order to enhance those landscapes and create significant ecosystem services that can be sold in the marketplace.

Private sector investment in ecosystem markets can be expanded if federal and state governments create a framework for a market made up of the rules that would govern trading and that includes baselines for the best management practices that would generate credits that could be traded. The market could be designed to encourage the permanent protection of forests and farms.

Public access could be enhanced if land conservation efforts are balanced between public ownership and easements, and if easements are designed to include reasonable access. In addition, the report suggested that the National Park Service convene representatives from federal, state and local governments and the non-profit sector to establish goals that reflect the range of access opportunities as well as current needs, and that transportation planners include canoe, kayak and fishing access at stream crossings.

States could work in partnership with private organizations to establish or expand voluntary state programs to open private lands to recreational access including hunting, fishing and hiking. Assistance should be sought from the U.S. Department of Agriculture's new Voluntary Public Access and Habitat Protection Incentive Program.

Charles A. Stek, chairman of the board of the Chesapeake Conservancy, said the mission of the Conservancy is to promote the conservation of Treasured Landscapes on the Chesapeake Bay and to promote public access.

"This report offers terrific recommendations that can help promote conservation and public access to the Chesapeake," said Stek. "Conservation and access are not just things that are nice to do, they are necessary for the health of the Chesapeake watershed and for the economy, and a critical part of the mission of the Chesapeake Conservancy."

MEDIA MATERIALS CAN BE FOUND AT <http://www.chesbay.virginia.gov/landconservation.html>

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ABOUT THE CHESAPEAKE BAY COMMISSION

For three decades the Chesapeake Bay Commission has been a leader in the effort to restore the Chesapeake Bay. The tri-state legislative commission works on a broad array of environmental policies including promoting land conservation and land management practices to benefit water quality. The member states, Maryland, Pennsylvania and Virginia are now national leaders in land conservation because of their innovative and successful efforts to achieve permanent protection of over 20 percent of their land in the

Bay watershed. In recognition and support of the economic and environmental values associated with land conservation, the Commission partnered with the Chesapeake Conservancy to publish this report of policy recommendations. Identifying and putting into place the most effective and targeted public policy options will help to ensure new land conservation goals are met by the states and the Chesapeake region as a whole.

ABOUT THE CHESAPEAKE CONSERVANCY

Chesapeake Conservancy is a non-profit organization whose mission is to ensure conservation, stewardship, access and enjoyment of the Chesapeake's iconic landscapes, great rivers and cultural and historic assets. The Conservancy advances this mission through education, direct action, marshaling new resources and forging partnerships with governments, businesses, public-interest groups and citizens. The principal focus of the Conservancy is the implementation of: the John Smith Chesapeake National Historic Trail; the Chesapeake Gateways and Watertrails Network; and a Chesapeake Treasured Landscape Initiative. The Conservancy believes that by helping educate citizens about the Chesapeake Bay and by providing new opportunities for improved public access, tourism, recreation and cooperative conservation of its treasured landscapes and ecosystems, we can create a lasting ecological and cultural legacy for the Chesapeake Bay.